



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.2
3 JUNE 2020	PUBLIC REPORT

WISBECH RAIL

1.0 PURPOSE

- 1.1. To update the Board members on progress with the Wisbech Rail Full Business Case (FBC) and the Governance for Railway Investment Projects (GRIP) 3b study and propose next steps.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Strategy and Delivery Director
Forward Plan Ref: n/a	Key Decision: No
The Combined Authority Board is recommended to: (a) Note the headline conclusions of the draft Full Business Case that restoring a heavy rail link between Wisbech and Cambridge would be practicable and provide value for money; (b) Delegate authority to the Transport and Infrastructure Committee to approve the final version of the Full Business Case; and (c) Approve continued engagement with the Department for Transport, and other central government departments to explore the future funding of this project through the Restoring Railways Fund.	Voting arrangements A simple Majority of all Members

2.0 BACKGROUND

- 2.1 At its meeting on 28 November 2018 the Combined Authority Board commissioned the Full Business Case (FBC) and GRIP3b Study for Wisbech to March rail and potential onward connections to Cambridge and Peterborough.
- 2.2 Wisbech is widely recognised as the one of the largest towns within England without a rail link to the main rail network. This negatively impacts the potential economic and housing growth of the town.
- 2.3 In 1968, following the Beeching Report, the railway line closed to passengers. In 2000, freight transport also ceased operating on the line.
- 2.4 Improving connectivity to Cambridge offers the opportunity to transform Wisbech as a place for inward investment and provide much enhanced accessibility to key services and employment opportunities for its residents.
- 2.5 The FBC builds on an Outline Business Case (OBC) completed in 2015 by further developing options and coming to a preferred single option. The FBC has been carried out in conjunction with rail scheme feasibility and design commensurate with Network Rail's GRIP 3b. It is currently in final draft and will be published in due course.
- 2.6 As explained in paragraph 3.6, late cost estimates have been received in the last fortnight from statutory undertakers (utilities). These will require amendments to be made to the FBC document's analysis of costs and of benefit cost ratios (BCRs). This paper takes those late cost estimates into account in its analysis of costs and BCRs.
- 2.7 The outcome of the Option Assessment Report (OAR) was presented at the Transport and Infrastructure Committee Meeting on 6 March 2020 and is available to view via the link below:

[https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi
ewMeetingPublic/mid/397/Meeting/890/Committee/67/SelectedTab/Documents/
Default.aspx](https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi
ewMeetingPublic/mid/397/Meeting/890/Committee/67/SelectedTab/Documents/
Default.aspx)

Item 6 – Appendix 1 refers.

3 Outcome of the Full Business Case and GRIP3b

- 3.1 The FBC is a Green Book compliant assessment based on the Treasury's preferred five-case model. It is accompanied by a GRIP3b study that addresses the bespoke business case requirements for rail projects expected by Network Rail.
- 3.2 The draft FBC concludes that the most commercially viable solution is a heavy rail service serving a station centrally located within Wisbech. A two trains per hour service should run between Wisbech and Cambridge to reach the highest Benefit Cost Ratio (BCR).

- 3.3 In order to run through to Cambridge, train paths through the busy Ely junction need to be available. Capacity for an hourly direct service between Wisbech and Cambridge is we believe available now, prior to the enhancements proposed within the Ely Area Capacity Enhancements project. Securing further capacity increases through that project will form part of our engagement with the Department for Transport (DfT). The FBC concludes that an interim shuttle scheme between Wisbech and March would in itself be viable for a 10 year period on projected passenger numbers pending the additional train paths becoming available, creating a considerably more attractive passenger experience and therefore patronage growth.
- 3.4 The Strategic case concludes that reopening the rail link would be transformative for the economic potential of Wisbech, in line with the analysis above.
- 3.5 The Economic Case concludes that the core scenario of the heavy rail option, including wider benefits, has a Benefit Cost Ratio (BCR) of between 2 and 2.5 which is classed as high. It compares favourably with rail scheme comparators.
- 3.6 In determining the Financial Case, two scenarios were appraised. This report focuses on the core scenario under which only housing and employment sites included in Fenland District Council's Local Plan were included in the modelling of potential funding options.
- 3.7 The table below is the latest infrastructure costs data. This has yet to be incorporated into the draft FBC document, as it includes statutory undertaker diversion cost estimates that were received only on 15 May 2020. The table below provides the capital cost estimates in £ million at 2019 prices. Figures in brackets represent previous estimates. Members will note that rail upgrade costs represent less than half the core capital cost: a larger proportion of the cost is driven by the need for highways solutions to bring the 22 level crossings on the historic line up to modern safety standards with closures and road diversions.

Element	Core Scenario
Wisbech station	4.6
Rail line upgrade and extension	71.9 (70.4)
Highways works	75.6 (76.9)
March station	8.1
C3 Utility Costs	15.4 (0)
Capex total	175.6 (160.1)
Land acquisition	8.0
Garden Town Access	N/a
Risk @ 19%	34.9 (31.9)
TOTAL (ex. Optimism Bias)	218.5 (200)

- 3.8 The above costs are still subject to revision before the FBC is finalised. This is for two reasons. First, C3 cost estimates from Cadent Gas have not yet been received. Secondly, a peer review will be undertaken of the highway elements for the crossing solutions. We are optimistic that efficiencies may be found here.
- 3.9 The Financial Case concludes that, while there is scope for financing some elements of the scheme locally and through the fare box, significant national grant funding will be required to enable the delivery of this project.
- 3.10 The Commercial and Management cases conclude that the Combined Authority should take the lead in the sponsorship and delivery of the scheme, working closely with Network Rail. A hybrid approach is recommended within the Commercial case with the Combined Authority retaining overall management control of delivery, while some of the rail packages should be procured and managed directly by Network Rail.
- 3.11 The benefit of the hybrid approach is that the Combined Authority would retain control over the programme whilst also managing the interface between the project and the wider rail network, and handover of the rail operation to Network Rail post construction. Greater consultation with Network Rail would be required to progress this approach further.

4 Next Steps

- 4.1 The FBC and the GRIP 3b has met the original scope to identify a single option solution, establish a station location and an alternative means of crossing the existing level crossings.
- 4.2 The Restoring Railways Funding (RRF) offers the best opportunity for national grant funding. RRF is divided into three funding areas, new ideas, accelerating existing proposals and proposals for new or restored stations. Officers are in discussion with DfT about how to progress the project through the accelerating existing proposals funding which focuses on projects with a business case already in place. The Mayor has written to Ministers promoting this project as a priority for this funding.
- 4.3 Subject to approval by the Combined Authority Board as per recommendation b), Combined Authority officers will meet DfT, ORR and Network Rail officials to present the outcome of the FBC and GRIP 3 which is expected to take place in July 2020.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no additional financial implications at this stage subject to the outcome of discussions with central government.

6.0 LEGAL IMPLICATIONS

6.1 The recommendations accord with CPCA's powers under Part 3 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).

7.0 OTHER SIGNIFICANT IMPLICATIONS

7.1 None at this time.

8.0 APPENDICES

None

<u>Background Papers</u>	<u>Location</u>
Combined Authority Board 28 November 2018 report	Combined Authority Board 28 November 2018
Transport and Infrastructure Committee report 6 March 2020	Transport and Infrastructure Committee 6 March 2020